

Honorable Richard A. Jones

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

MERENDON MINING (NEVADA) INC.,
et al.,

Defendants.

Case No. 2:10-cv-00955-RAJ

AMENDED JUDGMENT AND
PERMANENT INJUNCTION AGAINST
WARD CAPSTICK

In accordance with the court's November 27, 2012 order, the court enters this amended judgment and permanent injunction against Defendant Ward Capstick.

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant Ward K. Capstick and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means

1 or instrumentality of interstate commerce, or of the mails, or of any facility of any national
2 securities exchange, in connection with the purchase or sale of any security:

3 (a) to employ any device, scheme, or artifice to defraud;

4 (b) to make any untrue statement of a material fact or to omit to state a material fact
5 necessary in order to make the statements made, in the light of the circumstances
6 under which they were made, not misleading; or

7 (c) to engage in any act, practice, or course of business which operates or would
8 operate as a fraud or deceit upon any person.

9 II.

10 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
11 Defendant Ward K. Capstick and his agents, servants, employees, attorneys, and all persons in
12 active concert or participation with them who receive actual notice of this Final Judgment by
13 personal service or otherwise are permanently restrained and enjoined from violating Section
14 17(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)] in the offer or
15 sale of any security by the use of any means or instruments of transportation or communication
16 in interstate commerce or by use of the mails, directly or indirectly:

17 (a) to employ any device, scheme, or artifice to defraud;

18 (b) to obtain money or property by means of any untrue statement of a material fact
19 or any omission of a material fact necessary in order to make the statements
20 made, in light of the circumstances under which they were made, not
21 misleading; or

22 (c) to engage in any transaction, practice, or course of business which operates or
23 would operate as a fraud or deceit upon the purchaser.

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Ward K. Capstick and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise; or
- (c) Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Ward K. Capstick and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly

1 or indirectly, Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)] by making use of the
2 means or instruments of interstate commerce to induce or attempt to induce the purchase or sale
3 of a security while not registered as or associated with a broker or dealer.

4 V.

5 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section
6 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and Section 20(e) of the Securities Act
7 [15 U.S.C. § 77t(e)], Defendant Ward K. Capstick is prohibited from acting as an officer or
8 director of any issuer that has a class of securities registered pursuant to Section 12 of the
9 Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of
10 the Exchange Act [15 U.S.C. § 78o(d)].

11 VI.

12 IT IS HEREBY ORDERED that Defendant Ward Capstick is liable for disgorgement of
13 \$2,402,000, together with prejudgment interest thereon in the amount of \$523,412.92 for a total
14 of \$2,925,412.92, and a civil penalty in the amount of \$400,000.00 pursuant to 15 U.S.C. §
15 77t(d)(2) and 15 U.S.C. § 78u(d)(3)(B).

16 The Commission may enforce the Court's order by moving for civil contempt (and/or
17 through other collection procedures authorized by law) at any time after 14 days following
18 entry of this Order.

19 Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28
20 USC § 1961.

VII.

IT IS FURTHER ORDERED that Mr. Capstick's Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

Dated: November 27, 2012.

A handwritten signature in dark ink, reading "Richard A. Jones", is positioned above a horizontal line.

The Honorable Richard A. Jones
United States District Court Judge